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1997 L'ANNÉE
CANADIENNE DE
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EDC

TODAY



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FALL/SEPTEMBER 1997



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EDC (Export Development Corporation) helps Canadian exporters compete in world markets by providing a wide range of financial and risk management services, including export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees. EDC is a financially self-sustaining Crown corporation that operates on commercial principles.

The editor welcomes signed letters of comment on articles that appear in EDC TODAY or on events and issues related to the Canadian export industry. Letters may be edited to meet the magazine's style and space requirements.

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EDC TODAY FALL/SEPTEMBER 1997

Inside Track

- 4 EDC Direct: EDC credit approvals now just keystrokes away
- 5 Information on-line: Update on EDC Web site; DFAIT's WIN Exports database
- 6 EDC's Equity Team: A catalyst for export opportunities

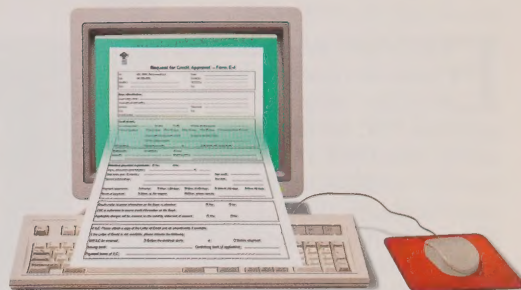
Focus on SMEs

- 7 Exporters reap benefits of MARG training
- 8 HorizonsPlus helps new and seasoned exporters; AgFITT: Training program for agri-food industry
- 9 Helping smaller exporters access Asia Pacific

On the Map: Asia Pacific

- 10 Emerging markets: Early entry yields long-term results
- 12 Bangladesh: Poised for growth
- 13 Sri Lanka: "Regional hub" in the making

- 14 Vietnam: Laying the groundwork for economic growth



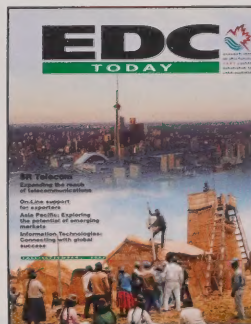
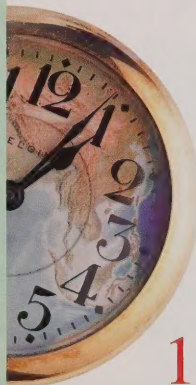
Industrial Strength

- 16 Connecting with Global Success in Information Technologies; EDC surveys software industry
- 18 MegaSys: Telecommunications product addresses critical niche
- 19 SR Telecom: No location too remote for SRT technology



EDC Listings

- 20 Lines of credit
- 23 Contacts



On the Cover

SR Telecom
installation in Peru.
(See article, page 19.)

EDC credit approvals now just keystrokes away

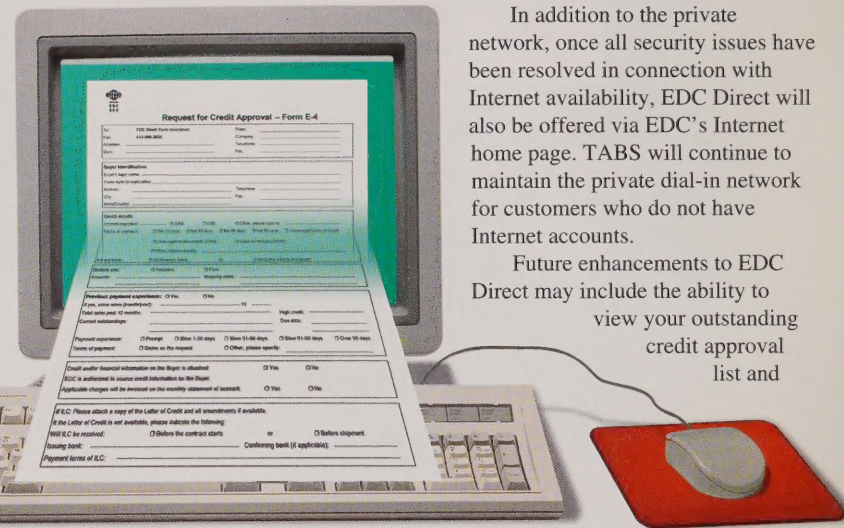
For customers, the launch of EDC Direct means on-line credit approvals in a matter of hours, and more on-line services to come. For EDC, it's the beginning of a whole new way of doing business.

EDC's short-term financial services customers now have a faster, more efficient option for obtaining credit approvals. EDC has launched an on-line service, called EDC Direct, which enables customers to dial-in to EDC from their office computers. Using an Internet interface, users can complete a Credit Approval Request form on their computer and submit it on-line. The on-line process takes the request from the customer directly into EDC's Credit Administration System (CAS), and within minutes a new credit case is generated automatically.

EDC Direct reduces turnaround time significantly – it's now a matter of hours in many cases, as opposed to several days. According to Jim Christie, Team Leader of EDC's Technology and Business Solutions Team (TABS), "We are currently averaging just over two days per request, down from an average turnaround time of 11 or 12 days when we started developing CAS in the early 1990s." During the pilot of EDC Direct, conducted with 14 customers over several months, average turnaround time was just under two hours per request. (In all cases, estimation of turnaround time does not include time required to obtain more information on buyers.)

Not only is the transmission time faster when sending the request on-line, but other factors contribute to faster turnaround. Filling out the form is quicker because users can choose from pulldown menus in a number of areas such as currency and credit terms, saving typing time. Also, a warning notice will appear if a pertinent piece of information is omitted from the form, eliminating delays caused by submission of incomplete forms.

Debbie Mannix, one of the participants in the pilot launched a year ago, says EDC Direct is a time saver. As a trade manager with Woodward and



In addition to the private network, once all security issues have been resolved in connection with Internet availability, EDC Direct will also be offered via EDC's Internet home page. TABS will continue to maintain the private dial-in network for customers who do not have Internet accounts.

Future enhancements to EDC Direct may include the ability to view your outstanding credit approval list and

Dickerson, a lumber company with offices in Vancouver and several other cities worldwide, Mannix says she uses the on-line request form almost daily. "It's so much more convenient," says Mannix, "I can quickly dial in, and I usually get a response on the same day."

Mannix's transmissions are among the 32,000 requests for credit approvals EDC will have received by the end of the year, a 17 percent increase from 1996. Christie estimates that initially 10 percent of EDC's customers will take advantage of this service, but that the number will continue to grow as these types of services become more common. "It depends on who has the appropriate technology, as well as their comfort level with it," says Christie.

EDC Direct is built using Web-based networking technologies and state-of-the-art firewall applications. It is currently available on a private dial-in network, which eliminates virtually all security issues. If you wish to take advantage of this free access, EDC will assign you a user identification and password.

statement of account on-line, and to submit claims and monthly declarations electronically. As EDC Direct evolves, additional products and services will be added from other areas of the Corporation. According to Christie, eventually all services currently handled by fax or mail could be done by EDC Direct.

Mannix, for one, is prepared to take advantage of future developments. "I would use it (EDC Direct) even more often if I could use it to see our outstanding listings ... or to turn in a claim on-line," she says. "I'm looking forward to seeing other on-line services."

Cathy Lynch, with contributions by Dan Lussier of EDC's Technology and Business Solutions Team

For more information on EDC Direct, call 1-888-332-2349, or contact your Business Development Manager or Financial Services Manager.

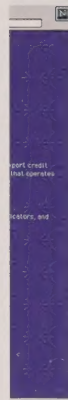
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and financial services-related information. Other available information includes news releases, product brochures, the *Annual Report*, *EDC Today*, career opportunities and links to related Web sites.

Future plans for the Web site include an interactive, "customizable" Web site section; downloadable EDC application forms; sector-specific information on-line; a link to EDC Direct (see article on page 4); and a "live" small business Q&A forum.

id popularity



Up and running for two years now, EDC's Web site is a valuable resource for a growing number of Internet users. The site has hosted more than 58,000 visitors since its launch in October 1995. To date, EDC has received and responded to 588 e-mail messages via the Web site, mostly from smaller exporters, and received 99 on-line registrations from users requesting that they be sent more information by mail or contacted directly by an EDC representative.

To find out more, access EDC's Web site at <http://www.edc.ca> or contact Mike Schroeter by phone: (613) 598-2511, fax: (613) 598-6697 or e-mail: schrmi@edc4.edc.ca

Cathy Lynch

WIN database puts exporters in touch with opportunities

If you are looking for more sales leads – and, these days, who isn't? – consider registering your company with the World Information Network for Exports (WIN Exports). WIN is a computerized database of Canadian exporters and their capabilities, compiled by the Department of Foreign Affairs and International Trade (DFAIT). The database is used by DFAIT's trade commissioners and Team Canada to match potential foreign buyers with Canadian sources.

Canada's trade commissioners, in conjunction with the International Business Opportunities Centre (IBOC), respond to thousands of requests for export information from foreign buyers

each year. WIN Exports helps identify Canadian suppliers, respond to overseas inquiries, and inform Canadian companies registered with WIN about business

World Information Network for Exporters

opportunities and events such as trade fairs and missions.

If your company is currently exporting or export-ready, simply fax a registration request on your company letterhead to the Export Information Systems Division, DFAIT, at 1-800-667-3802, or 613-944-1078 in the Ottawa area. Be sure to specify whether you are a manufacturer or service provider, and include information concerning your company's export experience and the countries to which you have exported (if any). A detailed questionnaire will be forwarded to qualifying companies for completion.

Deborah Chapman

EDC's Equity Team: A catalyst for export opportunities

In competing for export business, Canadian companies are facing challenges more numerous and varied than ever before. Canadian exporters and their financial partners must keep pace with buyer demands, lest a strategic market opportunity be irretrievably lost.

Winning an offshore contract hinges on a wide range of factors. Sometimes it comes down to a company's readiness to invest in manufacturing facilities and equipment at home or abroad, or to partner in new joint ventures. In other cases, equity financing may be required to supplement a foreign buyer's capital structure, particularly for start-up or limited recourse projects.

"... EDC sees itself as an equity 'catalyst'; a minority investor that fills a market gap."

— Peter Jones, EDC



Equity Team members (from left): Patrick Brean, Bill Brown, Jo-Ann Keech-Barker and Peter Jones (Team Leader).

To help Canadian companies meet evolving challenges in global markets, EDC has established a dedicated Equity Team. Formerly the responsibility of EDC's Project Finance and Equity Team, demand for equity financing has grown to the point where dedicated resources are required to focus EDC's risk appetite and further develop equity expertise. For each equity transaction, the new team collaborates with the appropriate EDC business team, to ensure that both product and sectoral expertise are brought to bear on the customer's requirements.

The Equity Team is headed by Peter Jones, Vice-President, who brings to the position more than 20 years' worth of experience in international banking, and trade and asset finance.

"Our objective is to help Canadian companies secure export opportunities by

providing supplemental equity which leverages private sector investment," says Jones. "At the same time, there must be an appropriate return on risk. We are not providing development or seed capital. Rather, EDC sees itself as an equity 'catalyst'; a minority investor that fills a market gap."

EDC's investments will typically be limited to 25 percent of the total equity commitment or \$10 million, whichever is less. According to Jones, "The intent is to minimize our involvement in hands-on management. Where appropriate, we may ask for Board representation, and we'll seek the right to appoint a director, either on a stand-alone or shared basis."

Given its catalyst role, the Corporation does not see itself as a long-term investor. Once the benefits of its participation have been realized by the

customer, EDC will look for an appropriate opportunity to divest. Possible exit strategies include an initial public offering, merger or acquisition, company share buy-back, or sale to a third party.

The Team has established two broad criteria to measure its effectiveness in providing service to clients: Canadian benefits and portfolio performance. "For most equity transactions completed or under consideration, Canadian benefits exceed EDC's investment by a ratio of more than two to one. We'd like to see this trend continue," Jones says. "Portfolio performance is also an important factor to ensure the program's long-term viability. In addition to financial return, we want to ensure a mix of transactions representative of Canada's main export sectors, with appropriate risk diversification."

EDC is also striving to address the equity-related export needs of small- and medium-sized enterprises (SMEs). In addition to receiving equity proposals directly from smaller enterprises, EDC will work through financial advisors and investment firms that specialize in SMEs. These firms will assist EDC in identifying and evaluating potential export-related investments. One such agreement has already been concluded, and others are being planned.

To date, EDC has concluded two equity investments, both of them in North America: one in an asset financing structure, the other in an information technology project. Investments currently under consideration include projects in North and South America, Europe and the Far East. "Equity is still a relatively new product at EDC," Jones adds. "We are keen to explore its full potential in enhancing EDC's financial services, and addressing the evolving needs of Canadian exporters."

For further information, contact the Equity Team at (613) 598-3110.

Patrick Brean, Equity Team

Exporters reap benefits of MARG training

In the 18 months since EDC launched its Master Accounts Receivable Guarantee (MARG) program, 90 exporters have acquired a total of \$15 million in new operating line financing from their banks. Now, more Canadian financial institutions have become partners and are training their staff on MARG benefits.

MARG is a unique program that enables banks to lend up to \$500,000 against an exporter's ongoing monthly export receivables, knowing a percentage of the financing is guaranteed by EDC. Canadian exporters deal with their account managers at their own branches, without a lot of red tape.

Linda Gagnon-Conway, Saumure says the training has paid off for National Bank and its clients. "MARG is a win-win-win program for bankers, small exporters and EDC. The ease with which the program can be accessed and the leverage it gives the exporter makes it an ideal product for smaller companies. We have been very pleased with our experience to date, as have our customers."

Saumure's colleague Claude Lamarre, Manager, International Business Development, agrees. "Whether it is for traditional markets or more exotic ones, MARG addresses clearly the needs of smaller exporters. It is simple, fast and easy to get approved and to administer. In addition, by adding MARG to export credit insurance, risks are being further minimized."

Guido Cerasani, an Account Manager with the Toronto Dominion Bank, says that he was pleasantly surprised during the training when he realized how easy it was going to be for him to help his customers access MARG. "The application process was so simple I was actually left with the feeling that I was missing something...but I wasn't!"

The TD Bank's Director of Trade Finance, Charles Attard, says the bank's partnership with EDC is key to helping smaller exporters. "As we educate our own staff about programs like MARG, they in turn are able to help our customers grow their businesses through exporting."

Caisse centrale Desjardins is also training its staff on MARG. Lynn Bourbeau, Manager of International Banking, recently completed a session, and comments, "The training itself was excellent, which in turn reflects the quality and simplicity of the product we are offering our exporting customers."

Miller says EDC will continue to aggressively pursue training initiatives

with all of its MARG partners. He adds, "I anticipate that MARG will continue to play an important role in the success of smaller exporters – a growing role, as more financial institutions become familiar with the product and the unique niche it fills."

Jayne Watson

MARG customers speak out

"MARG has enabled us to double our sales volume. The National Bank uses our foreign receivables as collateral against our line of credit, which in turn allows us to offer extended payment terms to our Russian buyers."

— Carole Robert, President
Construction Québec International Inc.

"Because we sell our mining equipment primarily to Senegal, Caisse centrale used our receivables to give us an operating line of credit. Our sales are forecast to grow almost 50 percent this year, a figure which would not have been possible without access to the line of credit made possible by MARG."

— Cheikh Niang, President
DAS International

"Skyplan learned of the MARG program from our TD Bank representative and, as a global organization with mainly foreign receivables, was interested in any financial tool allowing us to use those receivables as collateral. The MARG program allowed Skyplan to margin our offshore receivables and assist with expanded growth throughout the organization."

— Adrian Bone, Senior Vice-President,
Skyplan Services Ltd.



Another successful MARG partnership
(L to R): Jean-Louis Saumure (National Bank), Carole Robert (Construction Québec International), Linda Gagnon-Conway (EDC), Claude Lamarre (National Bank) and Hal Miller (EDC).

The key to making MARG work is to have knowledgeable and well-trained account managers at the branch level. "Branch staff have a roster of different financial services on their desks, and it's not easy for them to stay current on the benefits and uses of every one – especially a niche product like MARG which is only for smaller exporters," says Hal Miller, Director of EDC's Emerging Exporters Team. "That's why we're so pleased that some of the banks have asked us to join them in providing training for their account managers – the people at the branch level who are the principal source of debt financing for most Canadian small businesses."

Jean-Louis Saumure, Senior Manager, International Business Development for the National Bank, was the first to organize MARG training sessions for bank staff. Working closely with EDC's

New program offers assistance to both new and seasoned exporters

If you plan to expand your exports or enter the global market for the first time, HorizonsPlus is worth a look. HorizonsPlus is an export marketing and intern fellowship program that matches Canadian small- and medium-sized enterprises (SMEs) looking to grow internationally with university or college graduates interested in export-based careers. The program, offered by the Alliance of Manufacturers and Exporters Canada, is part of Canada's Youth Employment Strategy sponsored by the Industry Portfolio departments.

The program was recently introduced to Canada and is based on the U.K. Overseas Explorers Program that has matched more than 800 U.K. graduates with SMEs. HorizonsPlus helps companies to develop international business strategies, identify appropriate target markets and meet global business objectives.

HorizonsPlus has two components – international and domestic. The

international option helps companies that want to expand into new geographic regions or into new areas in their current markets. A graduate (or "intern") is matched with an exporting SME. The intern spends eight weeks with the SME to learn about its products, services and processes, then spends 20 weeks promoting the company in one or more countries in the target markets: Asia Pacific, Latin America, Europe, South Africa and the United States.

The domestic component is for companies that need assistance in becoming an exporter. After spending one week with the HorizonsPlus skills development team, an intern is assigned to a participating SME. The intern then spends 25 weeks with the SME to design and implement a detailed action plan for becoming export ready.

The international option is available to all regions across Canada. The domestic option is available in Ontario, Quebec and Atlantic Canada.

In the West, companies interested in the domestic component should apply to the International Trade Personnel Program of Western Economic Diversification Canada.

If you think HorizonsPlus can help your company and would like to know more about the program, call 1-888-467-4046 or visit its Web site at www.the-alliance.org/horizonsplus

Rhonda Raycroft



FITT to export:

Training program launched for agri-food industry

A new program offered by the Forum for International Trade Training (FITT) will teach small- and medium-sized companies in the agriculture, food and beverages sector about the perks and pitfalls of the international market. The program, called AgFITT, offers practical, hands-on training to build confidence as well as trade skills. Emphasis is on international food practices and rules, as well as understanding the logistics of market entry.

Dieter Hollweck, president of FITT, says the program is timely because world agricultural trade is expected to grow by "leaps and bounds." Canada's agri-food strategy is to increase Canadian agri-food

exports to \$20 billion by the year 2000, up from \$17.5 billion in 1995. Agri-food is already an important component of Canada's economy, representing eight percent of the country's gross national product.

The AgFITT program evolved out of FITT's original exporting course, established in 1992. Offered at 27 universities, community colleges and institutions, the original program has already educated more than 4,200 participants. Comprised of eight modules costing \$500 each, the course takes two years to complete and involves 45 hours of class time. For those already involved in international business, there is the option of fast-tracking.

AgFITT devotes one of its eight modules to doing business in the United States, currently the largest buyer of Canada's agricultural products. In 1996 alone, the United States accounted for \$4.9 billion in Canadian agri-food exports.

For more information on AgFITT, contact Dave Wood at (519) 354-9100 (ext. 3220).

FITT was established as a co-operative venture between such federal government departments as Human Resources Development Canada, Foreign Affairs and International Trade, and Industry Canada, as well as several private associations.

Daryn Sutherland

Helping smaller exporters access Asia Pacific

Exporting to the Asia Pacific region can be a daunting prospect for businesses of all sizes. For SMEs, in particular, the time and money investments required upfront can put the market out of reach. EDC offers a hand to help exporters get a grip on this unique market.

Joe Ng Engineering Limited has been providing professional engineering services to both public and private sectors around the world since 1980. While the company has reaped a good deal of success in China, among several other markets, President Joe Ng will be quick to tell you that exporting to Asia Pacific can be challenging.

"Selling to Asia Pacific requires a good deal of planning, organization and

Joe Ng Engineering is one of some 75,000 Canadian SMEs that export. Of those companies, some 2,500 are EDC customers, including 267 that export to Asia.

"It is in our national interest to encourage more SMEs to export and grow, not least because they are leading the way in job creation," says Kurt Rufelds, Director, EDC's Emerging Exporters Team.

Indeed, of the \$22 billion in support EDC provided to customers in 1996, \$3.8 billion was directed at SMEs.

Rufelds notes that Asia Pacific can be an important market for SMEs; however,

In several ways, EDC is helping SMEs access the Asia Pacific market. "A large part of what our International Markets people do is stay on top of international trends, conditions and opportunities in markets around the world," says Domokos. "We have experts who cover the Asia Pacific region and APEC countries, to make sure we're in a position to promote Canadian business to that part of the world. We're continuously developing government and banking contacts in that region, to meet the needs of Canadian exporters and their buyers."

"We would encourage SMEs to target the Asia Pacific marketplace, but to find their niches, without spreading themselves too thin."

— June Domokos, EDC

developing key business contacts," he says.

However, for Ng, as for many other small- and medium-sized enterprises (SMEs), exporting to Asia Pacific also has its rewards. "It may take a while to establish a relationship with Asian buyers," he says, "but once you have, your relationship will probably last a long time."

Ng says his company has been very active in the Asian market thanks, in part, to EDC's financing and insurance services. Since 1987, EDC has helped the company minimize any financial surprises in exporting to this region.

"EDC is the only financial institution that can provide our customers with long-term financing at competitive rates," says Ng. "Also, its full range of insurance services protects us if we aren't paid."

he also points out that selling to this region can be daunting. "A lot of smaller exporters realize they simply can't afford the upfront costs to enter this market," he says. "Having said that, however, we see even the smallest businesses exporting to Asia every day of the week – both small and larger amounts."

"We would encourage SMEs to target the Asia Pacific marketplace, but to find their niches, without spreading themselves too thin," says June Domokos, EDC's Vice-President, Asia, Africa & Middle East. "It takes a lot of time and staying power to export to this part of the world – you have to visit the market several times before you can make the sale, so that takes quite an investment upfront. But those SMEs that can find a niche there can achieve success."

EDC is also actively involved in events that promote SMEs' ability to sell to Asia Pacific, such as the APEC SME Business Forum & Exposition and the APEC Ministerial for SMEs that took place in Ottawa earlier this month.

As well, EDC's Emerging Exporters Team is working with smaller exporters to help them access the Asia Pacific market. "There is no company too small to export, and there is no exporter too small for EDC," says Rufelds. "We're here to support SMEs in any way we can."

Lynn Gauker

Emerging markets:

Early entry yields long-term results

Many emerging markets are seeking to expand and improve their infrastructures in areas such as telecommunications, energy and transportation. Canadian companies have the expertise to help. Therein lies the opportunity for exporters.

“Typically, in emerging markets, you’ll see the start-up of a lot of activity relating to development, infrastructure and industrialization,” says Anis Karim, Regional Manager, Asia Pacific, International Markets at EDC. “You’ll also see a trend toward commercial borrowing, because a country’s capacity to grow is limited if it’s relying on grants or soft loans. Emerging markets are now either willing to borrow commercially, or have sourced capital from the commercial market.”

Asia Pacific is no exception. The region is looking to foreign companies and investors to meet burgeoning infrastructure demands of more than \$200 billion each year. Canadian expertise in telecommunications, energy, transportation and many niche markets is proving an excellent match for the infrastructure needs of several Asia Pacific countries, not only in some of the better-known export destinations such as China, India and the “tigers” of Southeast Asia, but also in the smaller, emerging economies such as Bangladesh, Sri Lanka and Vietnam.

Like all emerging markets, those in the Asia Pacific region are not without their challenges. “Succeeding in these markets means not only adapting to different languages and cultures, but also taking a new approach to doing business,” says June Domokos, EDC’s Vice-President, Asia, Africa & Middle East. “Essential elements include diplomacy, excellent relationship management, a willingness to put in the extra effort initially and the psychological stamina to stay in the market for the long haul.”

While a topnotch product and an excellent financing offer may get your foot in the door, deals are made only once you have earned the buyer’s confidence and goodwill. “Maintaining goodwill is key here,” says Karim. “Without it, the buyer will go to the competition.”

Competition for business in such newly emerging markets as Bangladesh, Sri Lanka and Vietnam is, in fact, nearby and plentiful. The European countries are flooding these markets, as are some of the Asian competitors such as Japan, Hong Kong, Taiwan, Singapore, Korea and Malaysia. The Asian countries have a particular advantage because of their proximity, as well as their familiarity with the culture and business practices.

“The Asian tigers are trying to get a beachhead in these markets at any cost,” says Karim. “They’re seeking entry to many of these markets with soft loans. They are also drawing on regional associations similar to NAFTA – including the South Asian Association for Regional Cooperation (SAARC), the Association for South East Asian Nations (ASEAN) and several sub-groupings of those entities – to help them make inroads



into some of these markets." Even the United States is a source of competition, with its solid reputation as a rich and powerful trade partner.

To make its own way in these markets, Canada needs to take a proactive approach, while managing the expectations of all counterparties.

Turning a promise into a deal

Once you have established a relationship and matched your products or services to your buyer's needs, you may still have the longest leg of the journey ahead of you. The buyer's intent to buy takes you to the next hurdle: how will it pay?

While current government policy in emerging markets frequently calls for more commercial borrowing, it can be a tough sell in reality. According to Karim, "If a buyer is used to grants involving no payback or soft loans of, for example, two percent over 40 years, it can be difficult for that buyer to switch to commercial borrowing at rates of eight to 10 percent. Often, patience and time is required to conclude financing negotiations."

Another challenge exists in terms of policies and procedures. Since these markets are not frequent commercial borrowers, the policies and procedures are usually under development. There is often confusion over how a commercial deal is done; for example, who negotiates the term sheet, or whether companies earning the foreign exchange should be allowed to retain some of it. While EDC can help by explaining to the central bank what's needed for the international lender, negotiations take additional time when there is no system or no clear understanding in place.

Although buyers in Asia Pacific countries are typically technically qualified, the fact that many of them are new to foreign borrowing often means EDC must be prepared to provide a good deal of assistance, says Karim. Fledgling private sectors may be aware of the need

Goods Team, and short-term insurance specialist. "While much of the support has been on Letter of Credit terms, we are seeing increased requests for open account coverage," says Harris. "This presents a challenge in that obtaining meaningful credit and financial information on buyers

"If you want to create a presence and develop business opportunities in these markets, now is a really opportune time given their stage of evolution."

— Laura Hurst, EDC

to borrow to achieve their expansion plans, but unaware of what the international lender needs to evaluate the project to be able to offer financing. In the public sector, a mismatching of skills can end up delaying the approval process.

Whether you are dealing with the private or public sector, bureaucracy can be a stumbling block. According to Laura Hurst, Regional Manager, International Markets at EDC, "In most of these countries, any external borrowings – public or private – have to have approval from the Ministry of Finance, and typically also the Central Bank. This can cause delays because, again, it's a familiarizing process. They don't have much of a history of commercial borrowings, so they may scrutinize things that we consider standard."

In terms of short-term insurance support, EDC has experienced a growing demand in emerging Asian markets, according to Kevin Harris, Team Leader, EDC's Base and Semi-Manufactured

in this region can be difficult. However, we're pursuing new and better sources of information on Asia Pacific buyers to assist Canadian exporters as they move toward more liberal payment terms."

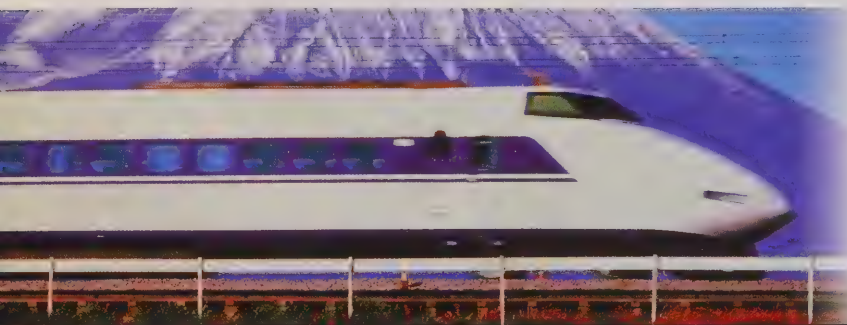
Worthwhile investment

While emerging markets like Bangladesh, Sri Lanka and Vietnam may not be "quick hit" markets, Hurst says that for many key sectors now is the time to gain a foothold. "If you want to create a presence and develop business opportunities in these markets, now is a really opportune time given their stage of evolution.

"Don't wait too long until things are too developed. In areas like telecommunications, you want to get there early to get the licences, make connections, and so on," adds Hurst. "This is what many of the Asian and European countries seem to be doing in these markets – they anticipate future developments, and make early inroads. Neighbouring countries will be so far along, if you come in late in the game you could find yourself shut out. Decisions will have already been made."

In addition to the sheer opportunities related to infrastructure development, both Hurst and Karim point to the attractive tax benefits available in countries like Bangladesh, Sri Lanka and Vietnam, which are increasingly liberalizing to attract much-needed foreign investment, and increase foreign exchange earnings.

Continued on page 15



Bangladesh: *Poised for growth*

There is no shortage of opportunity in Bangladesh, provided Canadian exporters do their homework, and enter into the market for the long haul. With EDC's help, more exporters are taking a serious look at this emerging market.

Canadian exporters to Bangladesh will find good opportunities in oil and gas exploration, power, telecommunications and equipment supply, according to Tanweer ul Islam, the Senior Commercial Officer of the Canadian High Commission posted in that country. Not only does Bangladesh have some significant oil and gas reserves, but also the country's move toward infrastructure expansion is creating opportunities. This is particularly true in the information technologies and power sectors, the former because Bangladesh is modernizing its telecommunications sector, and the latter because the Bangladeshi government has freed up the power sector for private participation. Railway and pulp and paper also offer tremendous opportunities.

EDC working with exporters

According to Anis Karim, Regional Manager, EDC's International Markets, "The time is right for Canadian exporters to pursue business in certain niches within Bangladesh. In recognition of this fact, EDC has recently increased its appetite for risk in this market." In the past year, Canadian firms have done business in Bangladesh in areas such as oil and gas exploration, while others are pursuing opportunities in sectors ranging from telecommunications to power. "EDC's good experience on the short-term side has led us to consider medium- and long-term transactions," says Karim. "In addition to sovereign deals, we'll look at commercial transactions, offering credit enhancement and structured financing, often in collaboration with the local banks," he adds.

As in many emerging markets, the Bangladeshi government recognizes the need to move away from grant dependency to commercial borrowings. "Until this transition is complete," says Karim, "considerable support is required

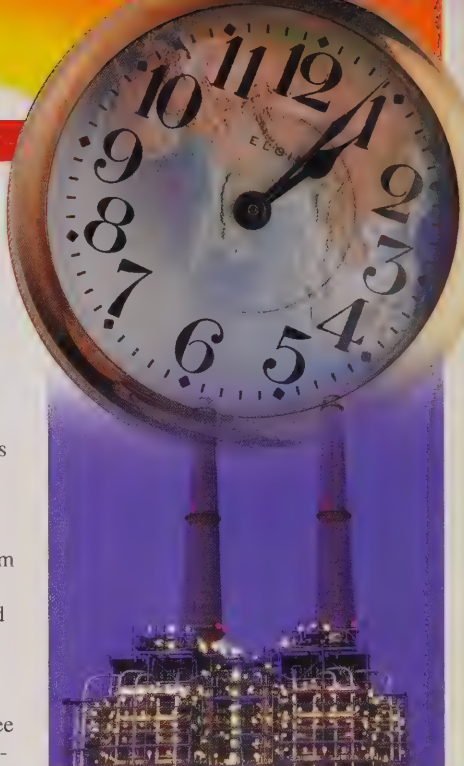
from the lender to acquaint the borrowers or buyers with the norms of external commercial borrowings and related negotiations." The fact that the country still enjoys considerable donor funds from various OECD countries and agencies under very lenient terms means EDC and other lenders must be prepared to work closely with borrowers in Bangladesh.

EDC has been actively monitoring Bangladesh as a potential market for three years now. Earlier this year, a representative made two trips to Bangladesh to follow up on developments in the private power sector; to facilitate a number of transactions in areas such as transportation (specifically railway) and telecommunications; and to help position Canadian exporters with respect to a pulp and paper project. In addition to learning, firsthand, more about the current business climate in the market, EDC is actively seeking to build relationships. "We have established strong connections with several major potential clients, such as Bangladesh Railway, Bangladesh Chemical Industries Corporation, Power Cell, City of Dhaka, the Ministry of Finance, and a number of private sector buyers in the power and telecom sectors," says Karim. "We're also in good standing with the major financial institutions such as Sonali Bank, Agrani Bank, Janata Bank, and a number of foreign banks with which we can work in structuring transactions."

Untapped potential

"Bangladesh is poised for future growth," says Karim. "Based on what we've seen in the past few years, EDC's recommended strategy is niche marketing." Traditionally an aid-dependent country, in recent years Bangladesh has sought to tightly manage its economic fundamentals. Five years ago, the Bangladeshi government embarked on

Continued on page 15



Bangladesh at a glance

Population: 123 million (1996 estimate)

GDP per capita: US\$265

GDP growth: 6 percent (estimate for 1997)

Inflation: 7.5 percent (average for 1997)

Canadian exports (1996): \$60.1 million

Canada's market share: 0.6 percent

Current account balance:

US\$1.5 billion (projected for 1997)

Reserves (months of imports): 3.0

EDC's position:

Short term – Limited but good experience.

Medium/long term – Limited experience.

All products are available on a case-by-case basis.

Foreign Investment Insurance – Open for three risks (transfer/convertibility, expropriation and war). Investment climate generally favourable. Case-by-case.

Canadian opportunities: Oil and gas, telecommunications equipment, railway, aerospace, power, and pulp and paper.

Who to contact:

Canadian Embassy in Bangladesh

Mr. Tanweer ul Islam

Senior Commercial Officer

Tel.: 88-2-607071 Fax: 88-2-883043

CIDA (INC)

Mr. Vivian Monteith, Program Manager

Asia Bureau, Industrial Cooperation

Tel.: (819) 997-0359 Fax: (819) 953-5024

DFAIT

Mr. Fred Jacques, Trade Commissioner

Tel.: (613) 995-8596 Fax: (613) 996-5897

EDC

To reach the appropriate business team, call the EDC regional office nearest you (see listing, inside back cover), or contact an EDC regional manager for Bangladesh: Anis Karim, tel. (613) 598-2869 or Laura Hurst, tel. (613) 598-2958.

Premia Harmonization Agreement Reached

Participants of the OECD Arrangement on Export Credits (commonly known as the Consensus) recently reached an agreement on export credit pricing which sets minimum country risk benchmarks for risk and administration fees charged on export credit transactions. (For further background, see *EDC Today*, Spring/ Summer 1997, page 7.) This agreement will come into effect on April 1, 1999 and will apply to all export credit transactions with repayment terms of two years or more.

The new rules establish minimum country risk benchmarks for 71 countries grouped into seven country risk categories. Lenders can apply lower rates than unconditional guarantors. Moreover, in export credit

transactions where country risk has been mitigated or excluded, export credit agencies (ECAs) may charge a rate below the benchmark, subject to prior notification.

During the negotiations which led to the agreement, Canada argued for greater flexibility in applying the benchmarks, and was instrumental in obtaining acceptance for an open list of mitigation techniques, subject to market developments and conditions. EDC is confident that this flexibility will enable it to apply its expertise in underwriting to maintain a competitive advantage for Canadian exporters.

Jayne Watson

Highlights of the package

- Minimum benchmarks for fees charged on all export credit transactions with a repayment term of more than two years.
- Review process to ensure the benchmarks reflect private market developments over time.
- The system adjusts minimum benchmarks to reflect product differences in terms of characteristics and percentage of cover.
- Permitted exceptions provide some flexibility to go below the minimum benchmark if the risk of a transaction has been reduced in some way.
- Transition period of two years began March 31, 1997.

1997 a year of progress for APEC

During 1997, the Asia Pacific Economic Cooperation (APEC) has made significant progress in bringing down barriers to the flow of people, goods, services and investment across Asia Pacific. At press time, four of the five Ministerial meetings scheduled had taken place in Canada, covering trade, environment, transportation and energy. The Small- and Medium-sized Enterprises Ministerial takes place this month.

On May 9-10, APEC trade ministers met in Montreal to discuss ways to move forward APEC's trade and liberalization agenda.

continued on page 2...

Gillespie appointed new EDC President



A. Ian Gillespie has been named President of EDC. The appointment was announced in Ottawa by Sergio Marchi, Canada's Minister for International Trade.

As an employee of EDC since 1978, Mr. Gillespie has acquired considerable expertise in helping Canadian businesses grow and prosper through exports and international investment. He most recently served as the Corporation's Senior Vice-President, Risk Management and Corporate Performance.

A graduate of both Queen's University (BA, Economics) and the University of Western Ontario (MBA), Mr. Gillespie has held a number of positions of increasing responsibility at EDC in the areas of export financing, credits insurance, treasury and corporate affairs.

A Crown corporation since 1944, EDC assists Canadian businesses by offering exporters some of the most sophisticated trade finance skills available today. In 1997, EDC's business volume is expected to surpass \$27 billion – exceeding last year's record level of \$22 billion.

EDC's 1997 Automotive Seminar "Gearing up for global success"

Companies exporting parts, tools, moulds and equipment (and/or supplying same to Tier 1's) are invited to EDC's 1997 Automotive Seminar, taking place on Thursday, October 9, 1997, at the Giovanni Caboto Club in Windsor, Ontario.

The seminar features the following information sessions:

(attendees choose two of three)

- Gain more access to working capital through tooling financing;
- Enhance your sales by extending credit terms; and
- Secure more access to medium-term financing for smaller tool and mould export sales.

Speakers:

Jim Olts, EDC's Chief Economist, will provide country risk information on key markets for automotive exports, including the United States, Argentina, Brazil, China, India, Mexico and Thailand.

Dennis DesRosiers, DesRosiers Automotive Consultants, will present his outlook for all sectors of the automotive industry, for 1998 and beyond.

Cost: \$75.00 (includes seminar materials, continental breakfast and lunch)

To register: contact **Lillian Gagnon** at EDC's London office, tel.: 1-888-332-2360 or fax: (519) 645-5580.

Recognizing Canada's Export Champions

Manufacturers, producers, exporters and representatives from Canada's financial community will meet in Quebec City on October 6 for presentation of the 1997 Canada Export Awards.

The Honourable Sergio Marchi, Minister for International Trade, will recognize the tremendous contribution Canadian companies are making both at home and abroad, during an awards ceremony being held in conjunction with the second annual meeting of the Alliance of Manufacturers and Exporters of Canada.

Each year, 10 to 12 Canada Export Awards are presented by the Department of Foreign Affairs and International Trade. This year, the awards will include three new categories: the EDC Smaller Exporter Achievement, the CIBC Job Creation Achievement, and Bell Canada's Innovation and Technology Achievement.

Since the inception of the Canada Export Award program in 1983, 190 Canadian exporters, selected from more than 3,000 applications, have been recognized with the prestigious Canada Export Award.

In recent years, EDC has focused on providing increased export services and support to small- and medium-sized enterprises (SMEs), which account for 95 percent of Canadian exporters. EDC currently supports \$4 billion in export business by more than 2,500 SMEs, to more than 120 countries.

For more information on the Canada Export Awards, please contact Beverly Hexter, Canada Export Award Program at: tel.: (613) 996-2274 or fax: (613) 996-8688.

Lyne Hébert

APEC

...continued from page 1

A number of important decisions were taken, including an agreement that by November 1997 Ministers will identify sectors for early, voluntary liberalization which will increase trade in the region.

In early June, APEC environment ministers, as well as local authorities and business leaders, met in Toronto to discuss the many issues surrounding urban development, including the need for responsible infrastructure development.

Victoria was the site of the Transportation Ministerial, held June 22-24. Because it is estimated that there will be more than one billion additional urban dwellers in Eastern Asian economies in the next 20 to 25 years, discussions were held on ways to improve the capacity and efficiency of transportation systems.

APEC Energy Week took place August 24-29 in Edmonton, where APEC Energy Ministers met and discussed ways to make it easier for companies to do business in the APEC region.

The Small-and Medium-sized Enterprises (SME) Ministerial will take place in Ottawa, September 18-19. In conjunction with the SME Ministerial, APEC is holding a SME Business Forum and Exposition, September 17-18.

In November, Canada's Year of Asia Pacific will culminate in the APEC Ministerial and Leaders' meeting happening in Vancouver.

Jayne Watson

New EDC initiatives in support of agriculture/agri-food industry

EDC has recently undertaken initiatives that will enhance the profile of Canada's agriculture and agri-food sector, while assisting Mexico in replenishing its stock of breeding cattle.

New export financing

Canadian breeding cattle exporters can offer their Mexican buyers a range of options through which credits can be secured. The lines of credit with the State development banks, Banco Nacional de Comercio Exterior (Bancomext) and Nacional Financiera (Nafin), where EDC has long-standing relationships, can now be accessed to finance breeding cattle and related goods to Mexico.

EDC's established lines of credit (LOCs) with Banco Nacional de México (Banamex) and Bancomer, for US\$125 million and US\$75 million respectively can be used to finance up to 85 percent of the value of Canadian breeding cattle and related goods sold to Mexican buyers.



Representatives from Mexico's Ministry of Agriculture, Bancomext, Nafin, Banamex, Bancomer, Banorte, Inbursa and Alpura at a seminar organized by EDC, the Farm Credit Corporation of Canada and the Ministry of Agriculture and Agri-food, held in Regina, Saskatchewan.

Financing can also be provided on a case-by-case basis through EDC's medium-term bulk agriculture guarantee program. Under this program, an irrevocable sight letter of credit is opened by a Mexican bank and negotiated by a Canadian financial institution. Recently, EDC has also qualified other Mexican financial institutions, such as Banorte, Inbursa, Promex, Banco Internacional (Bital) and Banco Bilbao Vizcaya (BBV), as eligible for this program. With an EDC guarantee, Canadian banks can act as the lender and agree to finance the drawings under the letter of credit with a repayment term of up to three years.

"With the range of options made available to Canadian exporters through these facilities, Canadian exporters will be able to effectively compete for sales of breeding cattle and related goods and services," says Luc Dupont, Regional Manager, Latin America, EDC's International Markets.

Sharing Canadian expertise

Through discussions with Mexican bankers, EDC discovered that availability of credits was not the only hindrance to supporting Mexico's efforts to replenish its stock of breeding cattle. EDC, with the support of Agriculture and Agri-food Canada, and working in conjunction with the Farm Credit Corporation of Canada, has recently endeavored to share Canadian experience with Mexican banks by organizing seminars for Mexican bankers. Offered in Regina and Calgary, these seminars illustrated the application of Canadian methodologies in the context of the business environment that affects the granting of credits to the agricultural sector, specifically in the field of breeding cattle.

Agriculture and agri-food is an important economic sector for Canada, accounting for almost nine percent of domestic output and employing nearly two million Canadians.

New Minister for International Trade appointed



EDC now reports to Parliament through a new Minister for International Trade: the Honourable Sergio Marchi, P.C., M.P. Appointed Canada's Minister for International Trade on June 11, 1997, Mr. Marchi replaces the Honourable Arthur C. Eggleton. In January 1996, Mr. Marchi was named federal Minister of the Environment, and served as a member on the Economic Development Policy and Treasury Board cabinet committees. Prior to that, Mr. Marchi was appointed federal Minister of Citizenship and Immigration following the general election in 1993. In

this position, his duties included membership on the Unity, Treasury Board, Social Policy, and Program review cabinet committees. In May 1989, Mr. Marchi was elected Chairman of the Ontario Federal Liberal Caucus. The following year he was elected Chairman of the National Liberal Caucus and was re-elected for the following two terms. Mr. Marchi was first elected to the House of Commons in 1984, and has remained the M.P. for the Ontario riding of York West. From 1984 to 1993, he served as the Official Opposition Critic for Immigration, Multiculturalism, Transport, Labour, and Fitness and Amateur Sport.

Claims paid

January 1-June 30, 1997

Companies	Claims	Cdn \$ total
291	685	\$21,723,083

Export markets	Count
Africa & Middle East	7
Asia & Pacific	10
Europe	61
South America	11
United States & Caribbean	596

Risks	
Default	465
Insolvency	201
Call of bond	6
Repudiation	12
Political and transfer	0
Termination of contract	1

Payments	
Under \$5,000	361
Between \$5,001 and \$100,000	283
Between \$100,001 and \$1 million	39
Over \$1 million	2

Dufour appointed to EDC Board



EDC welcomes Marcel Dufour to its board of directors. From 1979 to 1991, Mr. Dufour served as president of Lavalin International Inc., the marketing arm of the SNC-Lavalin Group, which is internationally recognized as a Canadian leader in engineering, procurement and construction. Prior to that, Mr. Dufour was responsible for all geotechnical studies of the Lavalin Group, a field in which he was involved for more than 25 years.

Currently a board member for Bellechasses Santé Inc., a health care company, Mr. Dufour has also served as chairman of the board for SNC-Lavalin International Inc. (1991 to 1994), and chairman of the Board of CIPM - Yangtze Joint Venture, a consortium of major Canadian engineering firms and utilities. Mr. Dufour is a past president of the Canadian-East European Trade Council and a former Director of the Canadian Exporters' Association.

Mr. Dufour holds a B.Sc.A. in civil engineering from the École Polytechnique de l'Université de Montréal and a Master's Degree in soil mechanics from Harvard University. He is a member of the Order of Engineers of Quebec and was appointed Fellow by the Canadian Society for Civil Engineering in 1986, as well as by the Canadian Academy of Engineering in 1988.

Watch for EDC at these upcoming events

EVENT	DATE	LOCATION
Aerospace Industries Association of Canada Annual Meeting	October 5-7	Ottawa, ON
AMEC Conference	October 5-7	Quebec City, QB
Canada Export Awards	October 6	Quebec City, QB
EDC's 1997 Automotive Seminar	October 9	Windsor, ON
Young Entrepreneur Awards	October 16	Toronto, ON
TMAC	October 19-22	Montreal, QB
Export Credit Agency Heads Meeting	November 19-22	Vancouver, BC
APEC Business Advisory Council Dialogue	November 21-25	Vancouver, BC
Canada-China Business Council Annual General Meeting	November 27-28	Toronto, ON
Widman's Conference	December 3-5	Montreal, QB

Sri Lanka: "Regional hub" in the making

Growth and development are continuing in Sri Lanka despite the civil war and, as other foreign nations are already discovering, there are key sector and niche opportunities up for grabs.

"While the civil war in Sri Lanka is not likely to be resolved in the immediate future, economic growth and foreign investment in this market have continued. For the most part, it's been business as usual," observes Laura Hurst, Regional Manager, EDC's International Markets. "Canadian exporters can't afford to be scared off," she adds, "particularly since other countries are making inroads."

What is attracting countries such as Japan, South Korea, Australia, the United Kingdom and Germany to do business in Sri Lanka? According to Hurst, "Infrastructure development is creating many opportunities in areas such as road building, housing and port development." She adds, "One of the key sectors for Canadian exporters is power, specifically mini-hydro, rehabilitations and thermal, since Sri Lanka is hampered by power shortages and an overdependence on hydro power. In addition, telecommunications and, to some extent, railway and aerospace are strong potential export sectors." Hurst says that there are also some niche opportunities in areas such as information technology.

To better position itself to assist exporters, EDC representatives recently travelled to Sri Lanka to more closely assess the current market from a Canadian supply and commercial financing perspective, to follow up on outstanding transactions and to meet with potential partners in the market. "Establishing relationships in the market is critical to long-term success," says Hurst. "We've created ties with several influential entities in the market, including the Ministry of Finance, Secretary to the President, and the Ministry of Power, as well as several financial institutions, including the Bank of Ceylon, the Development Finance Corporation of Ceylon and the Private Sector Infrastructure Development Corporation."

While EDC can offer some insight and assistance, Hurst's advice to new

exporters to Sri Lanka is to work with a reliable local agent who is familiar with the domestic system. She also recommends liaising with the Canadian High Commission to Sri Lanka when visiting the market.

"EDC is seeing continued exporter interest in Sri Lanka," observes Hurst. "Most potential business remains sovereign-based, but there is a growing emphasis on the private sector. EDC has an appetite for private sector transactions as well, depending on how they can be structured."

The economic picture

Despite a shift in government focus in 1996 (when political constraints precluded major economic policies), plus a series of crises ranging from drought to domestic tensions, Sri Lanka's GDP grew at about four percent last year. "Four percent is only marginally down from 5.5 percent growth over the previous five years," says Jocelyne Lussier, EDC Economist. "This indicates a relatively strong market – one that is expected to become stronger."

"In 1997, the government has pursued a strategy of relaxing monetary policy to stimulate economic growth," says Lussier. "The cost of credit has been reduced to stimulate investment, and growth should accelerate gradually to six percent over the medium term."

Strategically located near major Indian Ocean sea lanes, Sri Lanka has the advantages of a highly skilled and educated workforce and a wide range of investment incentive packages. "Prior to the civil war, which has continued since 1983, Sri Lanka had the potential to be the 'Singapore' of the region," says Hurst. "Growth-wise and fundamental-wise, in the early 1980s it was far beyond many other countries in Asia." She adds, "It's a market that is striving to regain its position – one that's worth a closer look."

Cathy Lynch



Sri Lanka at a glance

Population: 18 million
GDP per capita: US\$775
GDP growth: 5 percent (estimate for 1997)
Inflation: 12 percent (average for 1997)
Canadian exports (1996): \$51.6 million
Canada's market share: 0.01 percent
Current account balance: -US\$0.5 billion
Reserves (months of imports): 3.0

EDC's position:

Short term – Open without any restrictions.

Medium/long term – Open subject to country guideline.

Foreign Investment Insurance – Case-by-case.

Canadian opportunities: Infrastructure development (road building, ports, housing); power; telecommunications; and transportation (railway and aerospace).

Who to contact:

Canadian Embassy in Sri Lanka

Mr. Chris S. Pullenayegem
Commercial Officer
Tel.: 94-1-695-841/42/43
Fax: 94-1-687-049

CIDA (INC)

Mr. Vivian Monteith, Program Manager
Asia Bureau, Industrial Cooperation
Tel.: (819) 997-0359 Fax: (819) 953-5024

DFAIT

Mr. Fred Jacques, Trade Commissioner
Tel.: (613) 995-8596 Fax: (613) 996-5897

EDC

To reach the appropriate business team, call the EDC regional office nearest you (see listing, inside back cover), or contact an EDC regional manager for Sri Lanka: Laura Hurst, tel. (613) 598-2958 or Anis Karim, tel. (613) 598-2869.

Vietnam: *Laying the groundwork for economic growth*

Vietnam is enjoying a strong economic upswing as a result of reforms supported by the international financial community. Despite sometimes difficult business conditions, many factors have converged to place Vietnam's GDP growth rate among the highest in the world.

"Buoyed by a record agricultural harvest, strong industrial growth and a surge in investment financed chiefly by foreign investors, Vietnam's GDP grew by 9.5 percent in 1996, and will do the same this year and beyond," says Jocelyne Lussier, EDC Economist. "In addition, tight macroeconomic policies have led to a smaller budgetary deficit and annual inflation below 10 percent."

"You have to have local partners you can trust, who have the connections to work your deal through the bureaucracy."

— Todd Atherton, EDC

With its economic situation reasonably well in hand, Vietnam is ready to focus on development, and has adopted the state-sanctioned doctrine of "Doi Moi" (renovation). "The direction in which reforms are headed is clear," says Lussier. "However, concerns about infrastructure bottlenecks, unemployment and income disparities have led to doubts about the pace at which those reforms will occur. As a result, the government is likely to be circumspect about privatization."

Looking at Vietnam from an exporter's perspective, EDC Regional

Manager Todd Atherton cautions that Vietnam is a challenging market, combining the drawbacks of a state-run economy with some of the other difficulties typical of emerging markets. "There's an emerging private sector in Vietnam," says Atherton, "but most of the major players in the market are still state-owned. You have to have local partners you can trust, who have the connections to work your deal through the bureaucracy." Other challenges include limited capital, a people that is largely unfamiliar with accepted business practices, as well as a poor legal system and troubled banking sector.

Key areas of opportunity

The greatest opportunities for Canadian firms are in activities that have been funded by bilateral donors or international financial institutions. Promising areas include infrastructure-related industries (road construction); transportation (port management, air traffic control); agri-food (high-quality livestock, food processing equipment); telecommunications and informatics (digital switching-equipment, rural telecommunications, multiplexing equipment, software, training); oil and gas (upstream as well as downstream); and power generation and energy (hydro- and thermal-distribution technology, equipment and expertise). "The areas that will attract support are ones that either generate foreign exchange or reduce the country's dependence on costly foreign inputs," observes Atherton.

Although EDC has been open in Vietnam for several years, Atherton says exporter interest is just starting to grow now. To date, EDC's financing experience in Vietnam has been limited to its support of DGB Systems Integrators (1993) Inc.'s



Vietnam at a glance

Population: 75 million
GDP per capita: US\$268
GDP growth: 9.5 percent (estimate for 1997)
Inflation: 7.0 percent (average for 1997)
Canadian exports (1996): \$44 million
Canada's market share: 0.3 percent
Current account balance: US\$2.9 billion (projected for 1997)
Reserves (months of imports): 2.0 – 2.5

EDC's position:

Short term – Coverage is available on a case-by-case basis.

Medium/long term – Open, subject to overall exposure guideline.

Foreign Investment Insurance – Coverage is available on a case-by-case basis.

Canadian opportunities: Infrastructure-related industries, transportation, agri-food, telecommunications and informatics, oil and gas, power generation and energy.

Who to contact:

Canadian Embassy in Vietnam

David Dix
Commercial Counsellor, Hanoi
Tel.: (011-844) 823-5500

CIDA (INC)

Carolyn La Brash, Program Manager
Tel.: (819) 997-0562

DFAIT

Khawar Nasim
Tel.: (613) 995-7662

EDC

To reach the appropriate business team, contact call the EDC regional office nearest you (see listing, inside back cover), or contact an EDC regional manager for Vietnam: Todd Atherton, tel. (613) 598-2720 or Rob Simmons, tel. (613) 598-3022.

sale of a vessel traffic services system to the Vietnam National Marine Bureau. (See article in the Winter 1997 edition of *EDC Today* on page 4.) EDC's short-term insurance activity in Vietnam is increasing gradually, from a volume of approximately \$2 million in 1995 to \$3 million in the past year.

"The areas that will attract support are ones that either generate foreign exchange or reduce the country's dependence on costly foreign inputs."

— Todd Atherton, EDC

Increased risk appetite

"We have increased our appetite for risk in Vietnam, and will consider prospects on a case-by-case basis," says Atherton. "Previously, we were only willing to look at sovereign risk, but now we'll look at bank risk as well, particularly dealing with the four state banks. There are a number of other state companies that have foreign exchange revenues, which we'll look at on a case-by-case basis, as well as commercial banks and other parastatals in the market," he adds.

While Atherton does not recommend Vietnam as a starting point for new exporters, he advises that with patience and persistence, there are opportunities to be had for Canadian exporters.

Cathy Lynch

Emerging markets...

Continued from page 11

Export revenues are tax exempt, especially if you are within export processing zones. Plus, labour tends to be inexpensive.

Karim, like Hurst, encourages exporters to position themselves now, if they expect to do business in some of these emerging markets. "Opportunities in the OECD markets are drying up. Exporters need to make this part of their survival policy – if they're going to maintain acceptable growth levels, they need to be looking at other markets."

"EDC has an appetite for risk in these emerging markets, particularly on a niche basis," says Karim, "and we're encouraging small or moderate-sized transactions at this point."

To pave the way for Canadian exporters, EDC has invested time and money in building relationships within Bangladesh, Sri Lanka and Vietnam, over the course of several visits to each country. "Canadian exporters are not really familiar with these particular markets at this point," says Karim. "We want to be in a position to help."

Cathy Lynch

Bangladesh...

Continued from page 12

reform programs designed to revitalize the country's economy and attract foreign investments. Now, progress has been made and reforms are continuing.

"Following several years of reform programs supported by the international financial institutions and prudent financial policies, Bangladesh achieved macroeconomic stability and balance of payments viability in the mid-

1990s," says EDC Economist Jocelyne Lussier. Then Bangladesh had managed to bring its inflation down, lower its external debt service ratio, achieve GDP growth between five and six percent and attain the second strongest balance of payment position in the region (after India).

Despite some economic setbacks during 1995 and 1996, Bangladesh's Finance Minister Kibria is targeting a GDP growth of seven percent to stimulate the economy this year and next, although a growth rate of six percent seems more realistic given the country's low level of investment and savings," says Lussier.

Opening the country to foreign capital and accelerating privatization represents an enormous policy change for the Bangladeshi government, but it is only the beginning. Major reform in the banking sector is expected, and growth in investment and savings will need to occur before GDP growth can climb beyond current levels.

The silver lining

"Some of the factors that have hampered Bangladesh's economic growth are potential opportunities for exporters," says Karim. "Untapped energy resources, specifically natural gas, and inadequate power supplies need to be addressed before the country can develop further. Plus, the vast population represents a large domestic market."

Karim observes that establishing an active local presence, with the assistance of a reliable local agent and the Canadian High Commission, is the best way to recognize and capitalize on opportunities. He adds, "A number of the transactions EDC has discovered were identified while we were there, in the market. There are opportunities to be had."

Cathy Lynch

Connecting with Global Success in Information Technologies

For Canadian companies, the endless flow of emerging technologies brings with it new, unforeseen markets worldwide. For many, EDC products can provide the necessary wedge to help them get a foot in the door.

Few people have missed the fact that information technologies (IT) is the fastest growing economic sector in the world – news of its breathtaking pace, exciting innovations and often astounding growth abounds.

Currently, the global IT market is estimated at \$1.9 trillion, and Canada's piece of the action is about three percent. Canadian IT merchandise exports increased 18 percent between 1993 and 1996, comparing favourably to worldwide growth of 15 percent in the IT sector, and 13 percent growth for Canadian exports overall.

The sector accounts for a significant and increasing portion of the Canadian economy – according to recent statistics, IT represents 7.6 percent of the country's GDP, up from 5.5 percent in 1990.

More and more often Canadian companies, particularly small- and medium-sized enterprises, are taking on the best and the biggest in the world in telecommunications, components, multi-media products, hardware, equipment, software and services. In fact, many Canadian companies are global leaders in their fields.

"Currently, about 73 percent of factory shipments for information technologies go outside Canada," says Caroline Dabrus, Director and a Relationship Manager with EDC's Information Technologies Team. "So far, the dominant destination has been the United States – our largest trading partner. But in order to sustain growth, companies need to look farther afield to the tremendous opportunities in offshore markets."

For many sectors, foreign markets offer lower market penetrations and the array of opportunities that go along with deregulation and privatization. With the proper preparation, Canadian firms have been making exciting inroads around the world, particularly in Latin America and the Asia Pacific region. In addition, Canadian exporters are experiencing success in Europe, Africa and the Middle East.

Along with the opportunities, however, comes a high level of risk – amply demonstrated by the fact that the industry is responsible for higher than average default rates and a large percentage of the claims processed by EDC.

"Even in the United States, when the economy has difficulties we see an increase in default rates, particularly in start-up companies," says Dabrus. "It's a fluid, fast-paced industry, where sudden obsolescence is a harsh reality. Timing is key in highly competitive, often unpredictable markets," she adds.

Staying one step ahead using tricks of the trade

In short, trends are driven by change and intense competition. Victories are built from high adaptability, lots of market information and support, well-timed innovation, and several other tricks of the trade.

"Companies are often working at the leading edge, creating new products that in themselves will often have radical market implications," according to Dabrus. "Satellite imaging technology is a perfect example of an innovation that is creating a

whole realm of new ways to obtain and use information," she says.

Also, carefully developed niche products geared to specific markets are more important than ever to compete effectively, says Dabrus. For example, Canada is a world leader in the growing geomatics industry that includes activities such as mapping, remote sensing and marine surveying. Companies have achieved great success by creating technology-based solutions in niche segments such as business geographics, environmental protection and impact studies.

Spin-off companies have proven to be another successful growth tactic. In fact, the term is instantly associated with the industry because large, high-profile Canadian companies such as Newbridge and Nortel have made a business practice of creating the environment for niche companies to develop and, in some cases, using their resources to create or spin off smaller companies geared to specific niches. Strategic alliances, mergers and acquisitions with domestic or foreign companies have also smoothed the way for many an IT export deal. It is an arrangement that shares strengths and expertise, and adds market clout.

"Increasingly, buyers are expecting companies to bring everything to the table





to close the deal, including complete business plans, financing and strategic partnerships," says Dabrus.

In many foreign deals, EDC supplies some of the building blocks. EDC's Information Technologies Team has approximately 25 experts dedicated to putting together necessary combinations of risk management and financing products that give companies confidence in a particular new market, or the necessary leg up to close the deal.

"We see ourselves as part of the overall support package to go with our customers into the foreign markets," says Dabrus. "We develop knowledge-based teams, and partner with other Canadian financial institutions, so that we can bring a full package to meet each exporter's needs."

EDC is best known for its credit insurance that protects exporters' receivables against the risk of non-payment. However, other products are often the link necessary to complete the deal. For instance, EDC has extensive experience in providing financing support to foreign buyers of telecommunications equipment, and contract bonding support for Canadian software companies (see related article on page 18).

In addition, EDC has a number of other programs which enable exporters to increase their operating lines of credit, such as its Master Accounts Receivable Guarantee program with the Canadian banks.

For exporters investing in the sometimes unpredictable economic and political conditions in foreign countries, EDC has created support in the form of Foreign Investment Insurance that protects against inconvertibility or inability to transfer funds, expropriation or political violence.

Dabrus calls EDC, the "one-stop shopping solution." She adds, "No matter what the business or the size of the company, we can use all our expertise to provide a solution that meets their requirements so that they can go into the market with confidence and become part of the IT success story."

Last year, EDC supported more than \$3 billion in information technology exports by 160 customers, and the impressive growth the team has enjoyed since its formation is continuing in 1997. Telecommunications equipment topped the list followed by electronics parts, computers and related components, instrumentation, and software and services.

To properly serve the multi-faceted industry, team members have product and market specialties. "The specialization helps because there is a range of differences in the needs – even within subsectors such as hardware," says Dabrus. "The better we understand the business, the more accurately we can tailor our programs to suit it."

A word to the wise

Dabrus has one piece of advice for firms considering EDC services.

"Whatever the subsector, whatever the stage of commercial discussions, we like to see customers earlier rather than later," she says.

Firms already exporting can avoid many headaches by getting EDC advice before signing a contract with a foreign buyer. For those that are just beginning to export, support is also available through EDC's Emerging Exporters Team.

Brenda Stewart

EDC survey aims to reveal software industry issues

Well known for its rapid evolution, innovation, excitement and risk, the software industry presents many challenges. Competition is at an all-time high. New opportunities are burgeoning. Sales and marketing techniques are growing increasingly sophisticated, and buyers are demanding more creative financing support from their suppliers.

To get a better handle on issues facing Canadian software companies, EDC sent out an extensive survey this summer. "We wanted to understand the problems software businesses are facing, and to do so we needed to hear from as many companies as possible – even those that have never used EDC products and services," says Diana MacGibbon, Financing Services Manager with EDC's Information Technologies Team.

Canada has 14,000 companies in the software business and most are extremely export-oriented. So far, EDC has supported Canadian exporters primarily via credit insurance, as well as with contract bonding products to help circumnavigate some of the difficulties caused by the fact that software assets are largely intellectual.

"Nevertheless, we've barely scratched the surface," says MacGibbon. "We need to find ways we can provide more help to software firms. We hope the survey results will point us in the right direction."

Brenda Stewart

MegaSys: Telecommunications product addresses critical niche

These days, fibre-optic networks are crucial to the operation of many countries' economies. Providing software to control and monitor the health of such networks is MegaSys Computer Technologies.

Calgary-based MegaSys Computer Technologies got its big break in 1989, when it captured a contract with Sprint in the United States, to design and build a network management system for thousands of miles of fibre-optic cable. The sale was a first for MegaSys, and it was the toehold the firm needed to take off, says the company's Executive Vice President, Dennis Woronuk. "That contract forced us to develop a system to handle very large configurations," adds Woronuk. "Afterwards, we had little difficulty adapting the system for other customers in Canada and the United States."

Since its inception, MegaSys has grown by leaps and bounds. In 1990, the firm consisted of just three employees, including founder and President Dave Woronuk. Today, the head count is 50 and growing. According to Woronuk, "We're anticipating that we'll have about 100 employees next year. Our sales have doubled every year and hopefully we'll keep up the pace."

Meeting the needs of a growing market

So far, the firm has been making great inroads in North America with its Telenium product. Uses for the product include managing fibre optic telecommunication systems, hybrid fibre/coax systems, RF networks, cellular/PCS networks and earth stations. As watchdog for millions of points on a system, the software isolates faults, measures performance and manages security. Also, it can create new end-to-end circuits when required, says Woronuk.

Business prospects continue to look excellent for MegaSys. "Anyone involved in telecommunications needs software to manage systems, and the market is

growing," explains Woronuk. He adds that deregulation of the industry has opened up tremendous opportunities. In the United States, the market is mushrooming with the growth of independent phone companies and the Internet. In addition, large organizations such as utilities and railways are selling off bandwidth that will eventually need monitoring.

In addition to selling to domestic customers such as CP Rail, Fonorola, Sprint Canada and Videotron, MegaSys sells about 90 percent of its systems to the United States. Earlier this year, MegaSys contracted with MFS Network Technologies of Omaha, Nebraska to provide a system for managing the equipment being installed on 1,000 miles of new fibre for the Alyeska pipeline. The Alyeska pipeline transports over 2 million barrels of oil daily from the north slope of Alaska to Valdez. MegaSys was asked to supply the system that would manage all of the equipment, including satellite earth stations, for the entire network from Prudoe Bay to Valdez and on into Anchorage. However, there was a glitch when the customer asked for a surety performance bond. As Woronuk explains, "It's difficult to get surety bonding on software because it's not a tangible asset and it can be obsolete tomorrow."

EDC provides missing link

Fortunately, Woronuk was very familiar with EDC insurance, having worked with EDC during his tenure at Valmet Automation, prior to joining MegaSys. "I knew EDC could help us in this bid, and it did. Essentially, EDC guaranteed our performance and the surety company issued the bond earlier this year. It was a tremendous help," says Woronuk.



Tom Kowbel, a Financial Services Manager on the Information Technologies Team, describes a surety bond as a tripartite agreement among a surety company, a "principal" (exporter/contractor) and a buyer ("obligee"). "The surety, with the contractor, jointly guarantees the exporter's performance to the buyer," says Kowbel. "The use of surety bonds as a form of performance security is typical in the construction and manufacturing sectors, and is most prevalent in North America."

Kowbel explains that obtaining surety bonds can be a problem for small- to medium-sized companies involved in non-traditional industries, or in offshore projects, because of the additional risks perceived by sureties in those situations. A few years ago, EDC devised a solution in response to exporters' difficulties with posting bonds through the normal surety networks. Working with the surety companies, EDC assumes all or part of the risk to help exporters get bonding.

"When MegaSys called on EDC, we were able to support its request for a performance bond using re-insurance facilities to work with the surety firm," says Kowbel. "Software is a unique industry, with needs that often cannot be met by traditional surety underwriting criteria," he adds. "In all sectors, EDC's strength lies in the fact that our staff understand the industry and markets and, as a result, are well equipped to understand and assess the risks."

Brenda Stewart

No location is too remote for SR Telecom's wireless technology

SR Telecom Inc. is at the forefront of the growing market for fixed wireless access telephony products, using extensive experience, keen initiative and a full range of EDC products to build its global presence.

In its St. Laurent, Quebec corporate office, SR Telecom Inc. (SRT) displays a large world map with tiny lights to indicate all of the countries in which the firm has installed telephone and data networks. So far, there are about 83.

For 16 years now, SRT has been installing microwave radio systems in rural and remote locations where installing traditional telephone systems would prove too difficult. The fact that SRT's point-to-multipoint digital TDMA (Time Division Multiple Access) microwave radio systems offer a reliable and much less expensive alternative to traditional wire and cable set-ups has made the company a world leader in a niche market that is growing about 30 percent a year, mostly in export markets.

Export business booming

Last year, the publicly traded company chalked up \$144.4 million in sales to private and public customers for both rural and urban settings. About 95 percent of SRT's business is export – in fact, the firm cut its teeth on markets such as Saudia Arabia, Turkey and Korea.

"Last year, we had sales to 60 countries, but we're active in about 25 countries in any given year," says Chief Financial Officer D'Arcy Leddy. Today, China is SRT's largest single market. In the last few years, it has also chalked up repeat business in Korea, as well as capturing a major contract with AT&T in Saudia Arabia and about \$173 million worth of orders in Thailand. Also in the pipeline is work in the Philippines and an exciting new venture in Chile. "We're actually in the process of starting up a small rural telephone company in Chile," says Leddy.

Although telecommunications deregulation and privatization is opening up new opportunities in many markets,

"keeping an ear to the ground" is key to finding opportunities and alliances, says Leddy. "The telephone community is actually a small one, and companies all talk to each other."

In many markets, an agent is another must. Explains Leddy, "The local contact will help you get in to see the right people, tell your story and demonstrate what you can do."

Leddy adds, "EDC has been a major contributor to our growth in export – and we use most of its services."

Caroline Dabrus, Director of EDC's Information Technologies Team, comments, "Our experience in the telecommunications sector, global market reach and range of products allow us to effectively meet SRT's export finance and risk management needs, from credit insurance to cover its receivables against risks which can lead to non-payment, to contract bonding support." She adds, "EDC's ability to provide competitive buyer financing can be the necessary link needed to close a deal."

The proof is in the results

If multi-million dollar export sales aren't proof enough, SRT also has armfuls of prestigious export awards to its credit. Most recently, the firm won a Canada Export Lifetime Achievement Award from the Department of Foreign Affairs and International Trade, for outstanding growth and performance in exports – an honour that has been carried home by only one other company.

The Canadian International Development Agency also recently recognized SRT's work in Peru. In a \$30 million project in partnership with Telefonica Del Peru, SRT brought service to areas that had previously had no access to telephones.

However, despite a well-deserved, excellent reputation and solid growth opportunities in hand, SRT faces its share of challenges. Among them is competition from telecommunications giants offering "one-stop shopping" for everything from hand sets to cellular solutions, and also the sometimes slower-than-expected development of opportunities arising from deregulation.

To address these difficulties head on, the firm has increased face-to-face customer contact, augmented programs to educate potential buyers, and temporarily decreased overhead with reduced work weeks and work sharing through federal programs.

Meanwhile, research and development continues full speed ahead. SRT is currently field testing a new wireless loop technology to distribute data and ISDN (Integrated Services Digital Network) circuits in urban areas, and also to solve the "last-mile" problem in rural telecommunications systems where covering long distances using traditional wire can involve prohibitive costs.

Brenda Stewart



Lines of credit and other export financing

EDC has many types of export financing facilities to simplify the purchase of Canadian goods and services by buyers in export markets.

These facilities fall into two broad categories: supplier credit financing and buyer credit financing.

One example of supplier credit financing is a note purchase agreement. Under such an agreement, EDC purchases from an exporter a series of promissory notes issued by a foreign buyer to the exporter upon the sale of goods or services.

Buyer credit financing includes direct loans and lines of credit. Direct loans are a financing arrangement between EDC and a buyer, or a borrower on behalf of a buyer, for a predetermined transaction. Loans usually involve large transactions with long repayment terms.

Lines of credit are a streamlined form of financing in which EDC lends money to a foreign bank, institution or purchaser, which then onlends the necessary funds to foreign purchasers of Canadian goods and services. Interest rates, repayment terms and other details are prearranged between EDC and the foreign borrower, which speeds up turnaround time. Transactions supported under lines of credit are usually valued at between US\$50,000 and US\$5 million. EDC currently has 43 lines of credit, providing one form of access to export financing for buyers in some 23 countries.

Listed below are the details and contacts for the lines of credit which exporters have found most useful.

It is important to note that:

- EDC's financing and insurance services extend beyond countries in which EDC has established lines of credit.
- These lines of credit are one of several ways in which EDC will do business in these markets.
- If you are thinking about exporting but have never used one of EDC's lines of credit, it is wise to contact EDC as early as possible.

For more information on how EDC export financing can help you close a deal abroad, contact the regional office nearest you. (Refer to the contact list on the inside back cover.)

CATEGORIES

Overseas Area Code = 011

- 1) Borrower
- 2) Signing amount
- 3) Repayment terms
- 4) Buyer's contact with borrower
- 5) Borrower's North American representative

Lines of credit

MEXICO, CENTRAL & SOUTH AMERICA

Andean Pact – Bolivia, Colombia, Ecuador, Peru and Venezuela

- 1) Corporación Andina de Fomento (CAF)*
- 2) US\$70 million
- 3) 10 years
- 4) Mr. Fernando Infante, Capital Markets Group
Tel.: 582-209-2283
Fax: 582-209-2329
- Dr. Hernán Escudero M. (Bolivia)
Tel.: 591-243-1333
Fax: 591-243-2049
- Ms. Liliana Canale (Colombia)
Tel.: 571-313-2311
Fax: 571-313-2787
- Mr. Alfredo Solarte (Ecuador)
Tel.: 593-222-4080
Fax: 593-222-2107
- Mr. Ernesto Aranibar Q. (Peru)
Tel.: 511-221-3566
Fax: 511-221-0968
- Mr. Ricardo Ehram
Public Sector (Venezuela)
Econ. Blanca Olivo, Private Sector
Tel.: 582-209-2486/2379
Fax: 582-209-2433

Argentina

- 1) Banco Francés
- 2) US\$10 million
- 3) 2, 3, 5 or 7 years
- 4) Mr. Fernando Sola, Regional Manager North America and Asia Pacific
Tel.: 541-346-4326/4000 (ext. 1893)
Fax: 541-346-4337
- 1) Bidas S.A.P.I.C.
- 2) US\$25 million
- 3) 3 to 8.5 years
- 4) Mr. Horacio P. Ferraro, Manager Financing Department
Tel.: 541-310-4346/311-0111
Fax: 541-310-4367
- 1) Industrias Metalúrgicas Pescarmona S.A.I.C. (IMPESA)
- 2) US\$15 million
- 3) 3 semi-annual installments
- 4/5) Mr. Claudio Troglia, Director of Purchasing (Pittsburgh)
Tel.: 412-344-7003 (ext. 21)
Fax: 412-344-7009
- 1) Telecom Argentina Stet-France Telecom S.A.
- 2) US\$45.2 million
- 3) 3 to 8.5 years
- 4) Mr. Mario González, Manager Ms. Christel Maulhardt, Analyst Trade Finance Operations
Tel.: 541-968-3612/3614/3068
Fax: 541-312-9472
- 1) Telefónica de Argentina S.A.
- 2) US\$50 million
- 3) 3 to 8.5 years
- 4) Mr. Raul Rolandi, Deputy Director Financial Services
Tel.: 541-325-0190
Fax: 541-325-1920

- 1) Total Austral S.A.
- 2) US\$25 million
- 3) 2 to 8.5 years
- 4) Mr. Joseph Castaing, Financial Controller
Tel.: 541-394-8167
Fax: 541-394-9318
- 1) YPF, S.A.
- 2) US\$25 million
- 3) 2 to 8.5 years
- 4) Mr. Enrique Waterhouse
Ms. Dora E. Acosta Vásquez
Tel.: 541-329-5685
Fax: 541-329-5685

Argentina, Brazil, Colombia and Uruguay

- 1) Bank of Boston
- 2) US\$25 million
- 3) 2 to 8 years
- 4) Mr. Julio Laffaye, Trade Finance Manager International Services (Argentina)
Tel.: 541-346-2112
Fax: 541-346-3209/343-7303
- Mr. Carlos Martins (Sao Paulo)
Tel.: 5-511-249-5622
Fax: 5-511-249-6430
- Mr. Damián Donnelly (Bogotá)
Tel.: 571-313-3481
Fax: 571-313-3536
- Mr. José Baniela (Montevideo)
Tel.: 598-296-0127
Fax: 598-296-2209
- 5) Mr. Hugo Owen, Vice President (Boston)
Tel.: 617-434-3107
Fax: 617-434-1188

Brazil

- 1) **Banco do Brasil**
- 2) US\$25 million
- 3) up to 5 years
- 4) Ms. Rosana Porto Feirosa
Tel.: 5-511-3066-9022
Fax: 5-511-3066-9070
- 1) **Petrobrás**
- 2) US\$15 million
- 3) up to 5 years
- 4) Mr. Carlos Alberto Massena Barbosa
Tel.: 5-521-534-1454/1457
Fax: 5-521-534-4278
- 1) **Unibanco – União de Bancos Brasileiros**
- 2) US\$15 million
- 3) 2, 3, 4 or 5 years
- 4) Ms. Celina Porto, Ms. Silvia Nucci, Manager
International Relations
Ms. Patricia Urbano, Manager
Corresponding Banking
Tel.: 5-511-867-1684/4321/1900
Fax: 5-511-815-4484/814-0528/867-1689
- 5) Mr. Durval Araujo (New York)
Tel.: 212-207-9426
Fax: 212-754-4872
Mr. Marcos Pereira (Miami)
Tel.: 305-372-0100
Fax: 305-350-5622

Colombia

- 1) **Banco Cafetero**
- 2) US\$10 million
- 3) up to 8 years
- 4) Mr. Carlos Gaona Cruz, Head
Special Lines Department
Tel.: 571-284-6603
Fax: 571-286-8893

EDC is prepared to provide its full range of financing programs to the following institutions in Colombia as specific transactions arise. Please call EDC for information on the appropriate contacts at the respective institutions:

BANKS

For large/small transactions: **Banco de Bogotá, Banco de Colombia, Banco Ganadero and Instituto de Fomento Industrial**

For smaller transactions: **Banco Comercial Antioqueño, Banco del Estado, Banco de Occidente, Banco Industrial Colombiano and Banco Unión Colombiano**

FINANCIAL CORPORATIONS
Corfinsura and Corfivalle

OIL AND GAS
Ecopetrol

Honduras, Costa Rica, El Salvador, Guatemala and Nicaragua

- 1) **Central American Bank for Economic Integration (CABEI)***
- 2) US\$20 million
- 3) 5 years
- 4) Mr. Jorge Kawas
(Tegucigalpa, Honduras, Headquarters)
Tel.: 504-372-230/239
Fax: 504-370-793/377-830
Lic. Ronald Martínez Saborío (Costa Rica)
Tel.: 506-253-9394
Fax: 506-253-2161
Ing. Francisco José Ramírez Cuadra
(El Salvador)
Tel.: 503-224-0144
Fax: 503-224-1621
Lic. Jorge Marco Díaz Rosal (Guatemala)
Tel.: 502-334-1744/332-2722
Fax: 502-331-1457
- * CABEI has suspended new public-sector loans to the Government of Nicaragua.
Call EDC's International Markets for details.
Ing. Roger Arteaga Cano (Nicaragua)
Tel.: 505-266-4120/4123
Fax: 505-266-4143

Mexico

- 1) **Banca Serfin, S.A.**
- 2) US\$20 million
- 3) 5 years
- 4) Mr. José Carrasó Amaiz, Vice President
International Division
Tel.: 525-512-1009
Fax: 525-625-5613
- 5) Mrs. Paloma Healey
Tel.: 416-360-8900
Fax: 416-360-1760
- 1) **Bancomer, S.A.**
- 2) US\$75 million
- 3) 5 years
- 4) Ms. Cecilia Sáenz y Sáenz, Vice-President
Import Financing
Tel.: 525-621-3861/3491
Fax: 525-621-4758
- 1) **Banco Nacional de Comercio Exterior, S.N.C. (Bancomext)**
- 2) US\$90 million
- 3) 5 to 8 years
- 4) Ms. Rosa María Solís, Vice President
International Banking, North America
Tel.: 525-327-6051
Fax: 525-327-6076/6077
- 5) Mr. Marco Espinosa
Trade Commissioner of Mexico (Toronto)
Tel.: 416-867-9292
Fax: 416-867-1847
- 1) **Banco Nacional de México, S.A. (Banamex)**
- 2) US\$125 million
- 3) 5 to 8 years
- 4) Mr. Gerardo Santos, Comercio Exterior
Tel.: 525-720-7065
Fax: 525-720-7314/7315

- 1) **Banco Nacional de Obras y Servicios Públicos, S.N.C. (Banobras)**
- 2) US\$20 million
- 3) 5 to 8 years
- 4) Lic. Abelardo Bravo Herrera, Gerente
Operaciones Bancarias Internacionales
Tel.: 525-723-6000
Fax: 525-723-6235
- 1) **Comisión Federal de Electricidad (CFE)**
- 2) US\$30 million
- 3) 5 to 8 years
- 4) Mr. Ranulfo Matus López
Credit Operations Department
Tel.: 525-286-6859
Fax: 525-286-1456
- 1) **Nacional Financiera, S.N.C. (Nafin)**
- 2) US\$28 million
- 3) 5 to 8 years
- 4) Mr. Jorge Muñoz Cuevas, Manager
Bilateral Financing
Tel.: 525-325-7022/7023
Fax: 525-325-6496

- 1) **Petróleos Mexicanos (Pemex)**
- 2) US\$14.6 million
- 3) 5 to 8 years
- 4) Lic. Guillermo Christy Vera
Associate Managing Director of Finance
Tel.: 525-250-6478
Fax: 525-254-1896

- 1) **Teléfonos de México, S.A. de C.V. (Telmex)**
- 2) US\$35 million
- 3) 3 to 7 years
- 4) Mr. Gustavo León Méndez, Treasury
Tel.: 525-222-1153/1154
Fax: 525-203-5972

Peru

- 1) **Banco Wiese Ltda.**
- 2) US\$15 million
- 3) 2 to 5 years
- 4) Mr. Manuel Custodio Poemape/
Mr. Javier Román Vidal
Financing Intermediation Division
Tel.: 511-428-0505/426-6231
Fax: 511-426-9448/9414

Venezuela

- 1) **BARIVEN, S.A./Petróleos de Venezuela, S.A. (PDVSA)**
- 2) US\$50 million
- 3) 2 to 8.5 years
- 4) Mr. Richard Maduro, Finance Manager
BARIVEN, S.A. (Caracas)
Tel.: 582-201-4761
Fax: 582-201-4605
- 5) Mr. Philip Limón, Assistant Treasurer
PDVSA Services, Inc. (Houston, Texas)
Tel.: 713-588-6430
Fax: 713-588-6992

AFRICA & MIDDLE EAST

Algeria

- 1) **Banque Algérienne de Développement (BAD)**
- 2) US\$100 million
- 3) 3 or 5 years
- 4) Mr. Sadek Alilat, Director
Tel.: 213-2-738-950
Fax: 213-2-748-025

- 1) **Sonatrach**
- 2) US\$70 million
- 3) 3 or 5 years
- 4) Mr. Ahmed Mostefaoui, Director
Tel.: 213-2-607-000
Fax: 213-2-605-322

Ghana

- 1) **Ministry of Finance and Economic Planning**
- 2) US\$20 million
- 3) up to 10 years
- 4) Mr. Emmanuel Darko, Director
International Economic Relations Division
Tel.: 233-21-665-920
Fax: 233-21-667-069
- 5) High Commission of Ghana to Canada
in Ottawa
High Commissioner Annan A. Cato
Tel.: 613-236-0871
Fax: 613-236-0874

Israel

- 1) **Bank Hapoalim B.M.**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Ms. Yona Rosenberg
Foreign Trade Department
Tel.: 972-3-567-3424
Fax: 972-3-567-4548
- 1) **Bank Leumi Le-Israel B.M.**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Ms. Liorah Tidhar, First Vice President
Trade & Project Finance
Tel.: 972-3-514-7373
Fax: 972-3-514-7865
- 1) **The Israel Electric Corporation**
- 2) US\$19.5 million
- 3) 5 or 12 years
- 4) Ms. Ilana Blechner
Finance, Trade, Insurance Department
Tel.: 972-4-854-8272
Fax: 972-4-851-5597
- 1) **United Mizrahi Bank Limited**
- 2) US\$10 million
- 3) 3, 5 or 7 years
- 4) Mr. Chana Chefer, Foreign Trade Department
Tel.: 972-3-567-9011
Fax: 972-3-567-9028

South Africa

- 1) **First National Bank of Southern Africa Limited**
- 2) US\$25 million
- 3) 3 to 8.5 years
- 4) Mr. Steve Smith, Manager, Export Credits
Tel.: 011-371-6665
Fax: 011-371-7255
- 1) **Impofin (Pty) Limited**
- 2) US\$15 million
- 3) up to 8.5 years
- 4) Mr. Leon Potgieter, Deputy General Manager
Industrial Development Corporation of
South Africa Ltd.
Tel.: 011-269-3000
Fax: 011-269-3121
- 1) **Nedcor Bank Ltd.**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Chris Louw, Manager
International Finance Unit
Tel.: 011-630-7973
Fax: 011-630-7879
- 1) **The Standard Bank of South Africa Limited**
- 2) US\$10 million
- 3) 3 to 8.5 years
- 4) Mr. Gerald Nolan, Senior Manager
International Finance
Tel.: 011-636-5062
Fax: 011-636-3181

Tunisia

- 1) **Ministry of International Cooperation and Foreign Investment**
- 2) US equivalent of Cdn\$100 million
- 3) up to 10 years
- 4) Mr. Abdelhamid Bouhawala
Tel.: 216-1-798-522
Fax: 216-1-799-069

EUROPE

Turkey

- 1) **Turk Eximbank**
Export Credit Bank of Turkey
- 2) US\$50 million
- 3) 3 to 7 years
- 4) Mr. Bekir Bora, Deputy General Manager/
Mr. Ertan Tanriyakul, Finance Manager
Tel.: 312-417-1300
Fax: 312-425-2947

ASIA & PACIFIC

China, People's Republic of

- 1) **Bank of China**
- 2) US\$200 million or its equivalent in Cdn. or other acceptable foreign currencies
- 3) up to 10 years
- 4) Mr. Xu Gang, Divisional Chief
Credit Business Department
Tel.: 86-10-6834-3312
Fax: 86-10-6834-2272
Telex: 22254/22289 BCHO CN
- 1) **Bank of Communications**
- 2) US\$25 million
- 3) up to 10 years
- 4) Mr. Shi Fu Ling, Deputy General Manager
Forex Credit Department
Tel.: 86-216-275-1234/7255
Fax: 86-216-275-6224
- 1) **China Construction Bank**
(formerly People's Construction Bank of China)
- 2) US\$100 million
- 3) up to 10 years
- 4) Ms. Song Xieli, Project Manager
International Department
Tel.: 86-106-851-5276
Fax: 86-106-851-5285

India

- 1) **Export-Import Bank of India (Exim)**
- 2) US\$10 million
- 3) up to 8.5 years
- 4) Mr. David Rasquinha, Manager
Export-Import Bank of India (Mumbai)
Tel.: 91-22-218-5272 (ext. 2404)
Fax: 91-22-218-8076
- 5) Mr. Anup K. Hiranandani
Resident Representative
(Washington, D.C.)
Tel.: 202-223-3238/3239
Fax: 202-785-8487

Indonesia

- 1) **Bank Umum Nasional (BUN)**
- 2) US\$10 million
- 3) up to 7 years
- 4) Mr. Sri Kinarsih
Tel.: 62-21-231-2828
Fax: 62-21-231-2929

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Suite 1410
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Halifax, Nova Scotia
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Tel.: (902) 429-0426
Fax: (902) 423-0881
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Business Development
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International Trade Centre
1045 Main Street
4th Floor, Unit 103
Moncton, New Brunswick
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Fax: (506) 851-6406
CHARLES GAUDET
Business Development
Manager

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regional offices toll-free:
1-888-332-3320

BUSINESS TEAMS

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Team Leader

To contact a team member:
Tel.: (613) 598-2823
Fax: (613) 598-2525

CONSUMER GOODS TEAM

Jean Beaulieu
Team Leader

To contact a team member:
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Fax: (613) 598-2525

EMERGING EXPORTERS TEAM*

John Hutchison
Team Leader

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Fax: (613) 598-6871

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Fax: (613) 598-6858

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Henri Souquière
Team Leader

To contact a team member:
Tel.: (613) 598-3164
Fax: (613) 598-2504

* If you are new to exporting and/or have annual export sales of up to \$1 million, contact EDC's Emerging Exporters Team for specialized, streamlined service. If you are an experienced exporter with larger, more complex requirements, contact the appropriate business development manager at the EDC regional office nearest you.

OTHER ORGANIZATIONS THAT HELP EXPORTERS



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and International Trade
International market intelligence
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Specialized financing for small-
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Canadian Commercial
Corporation
Export contract advice and
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